

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	18505	Agenda Number	70.
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Meeting Date:	September 27, 2012
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Department:	Purchasing
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Subject

Authorize award, negotiation and execution of an administrative services agreement with COMPUSYS/ERISA GROUP, INC., or one of the other qualified offerors to RFP No. JSD0124, for a 12-month service contract for each of the following Benefit Plans Administration services: A) Eligibility Administration; B) COBRA, Continuation of Coverage for Domestic Partners, and Self-Pay Administration; C) Self-Funded Dental Plan Claims Administration; and D) Flexible Benefits Claims Administration in an estimated amount not to exceed \$1,012,000 with six 12-month extension options in estimated amounts not to exceed \$1,040,000 for the first extension option, \$1,070,000 for the second extension option, \$1,123,000 for the third extension option, \$1,155,000 for the fourth extension option, \$1,189,000 for the fifth extension option, and \$1,223,000 for the sixth extension option, for a total estimated contract amount not to exceed \$7,812,000.

Amount and Source of Funding

Funding in the amount of \$759,000 is available in the Fiscal Year 2012-2013 Operating Budget of the Employee Benefits Fund of the Human Resources Department. Funding for the remaining three months of the initial contract and all extension options is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Best evaluated proposal received.
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Prior Council Action:	
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For More Information:	Jeff Dilbert, Corporate Purchasing Manager, 974-2021
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Boards and Commission Action:	
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting
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opportunities were identified: therefore, no goals were established for this solicitation.

Related Items:

Additional Backup Information

The City issued a solicitation on April 23, 2012 seeking proposals from firms to provide benefit plans administration services for: A) Eligibility Administration; B) COBRA, Continuation of Coverage for Domestic Partners, and Self-Pay Administration; C) Self-Funded Dental Plan Claims Administration; and D) Flexible Benefits Claims Administration. These third party administrative services will be for City employees, retirees, COBRA and Continuation of Coverage for Domestic Partner participants.

The Eligibility Administration Contractor maintains enrollment and eligibility data for all benefits for all Covered Persons enrolled in City benefits and electronically transmits the eligibility data to the City's benefit vendors.

The COBRA, Continuation of Coverage for Domestic Partners, and Self-Pay Administration Contractor administers the program in accordance with Federal regulations and City processes.

The Self-Funded Dental Plan Claims Administration Contractor adjudicates dental claims in accordance with the Employee Dental Assistance Plan.

The Flexible Benefits Claims Administration Contractor administers the FLEXTRA Health Care spending account and FLEXTRA Dependent Care spending account in accordance with IRS Section 125 regulations.

The plan year for all services will be January 1 through December 31 of each year. The extension options, if exercised, will extend the contract term through December 31, 2019.

The recommendation is for awarding all services in this solicitation to CompuSys/Erisa Group, Inc. based on evaluation of proposals reviewed by Human Resources staff. CompuSys/Erisa, Group Inc. presented the best overall proposal and the lowest overall cost with savings to the City of \$485,000.

This request allows for the development of an agreement with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory agreement with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that Council may select another qualified offeror and authorize contract negotiations with this provider.

MBE/WBE solicited: 6/9

MBE/WBE Bid: 0/0

RFP NO. JSD0124
PRICE ANALYSIS

- a. Adequate competition.
- b. 177 notices were sent including 6 MBE's and 9 WBEs. Seven proposals were received. No proposals received from MBE/WBE.

APPROVAL JUSTIFICATION

- a. Best evaluated proposals.

- b. The Purchasing Office concurs with the Human Resources Department's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.